



NC OSC Policy 105.1

Accounting Cycle Policy

Policy Area: Accounting & Financial Reporting	Effective Date: 7/1/2006
Policy Sub Area: State Financial Reporting	Last Revision Date: NA
Authority: General Statute 143B-426.39 and 143B-426.40H	Policy Owner/Division: Statewide Accounting

Policy

The State of North Carolina recognizes a fiscal year beginning July 1 and ending June 30. Budgetary reporting, budgetary control, and financial reporting in accordance with GAAP are based on this accounting cycle.

Unless exempted by the State Controller, newly created or acquired component units of the State are required to have the same fiscal year as the State of North Carolina

The accounting cycle begins, and is built on, daily updating and monthly reporting of the statewide general ledger. This monthly reporting is used by the OSC's Cash Management Division, the Office of State Budget and Management, and the General Assembly's Fiscal Research for statewide management purposes.

NCAS agencies and component units that interface to NCAS will report for 12 accounting periods on the budgetary (i.e., cash) basis. These 12 periods are system defined to generally reflect, on the NCAS general ledger, the 12 months of the fiscal year. The NCAS general ledger also has 13th and 14th accounting periods available for posting. During the accrual process, accrual transactions and adjustments are made to the 13th period. These entries are needed to adjust year-end budgetary balances to reflect their reporting in accordance with GAAP. Agencies and Interface component units must develop adequate documentation to support their 13th period entries in order to provide a clear audit trail back to the agency files. The 14th period is for specialized life-to-date reporting situations used primarily in grant accounting.

All state agencies and component units are required to submit their year-end package to OSC within 60 days after the fiscal year end.

OSC prepares the CAFR on or before October 31 and publishes it on or before December 31.

Procedures

Refer to specific sections in North Carolina Accounting System Procedures for general accounting and processing validation procedures related to the various NCAS accounting modules. The financial transactions within these modules for a defined fiscal period make up the accounting cycle.

Accounting Guidance

NA

Related Documents (Memos/Forms)

NA

Revision History

Date	Description